

Minneapolis Community Development Agency

Request for City Council Action

Date: October 28, 2002

To: Council Member Lisa Goodman, Community Development Committee
Council Member Barbara Johnson, Ways and Means/Budget Committee

Prepared by Cherre' Palenius, Phone 612-673-5241

Approved by Chuck Lutz, MCDA Interim Executive Director _____

Subject: Approval of an appropriation increase in Fund SHP, Housing Program

Previous Directives: Miscellaneous 1999 MCDA Budget Actions adopted November 15th, 1999. 1999 MCDA Appropriation Resolution adopted December 4, 1998.

Ward: Not applicable

Neighborhood Group Notification: Not applicable

Consistency with *Building a City That Works*: Not applicable

Comprehensive Plan Compliance: Not applicable

Zoning Code Compliance: Not applicable

Impact on MCDA Budget: (Check those that apply)

- ☐ No financial impact
- ☒ Action requires an appropriation increase to the MCDA Budget
- ☐ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☒ Other financial impact (Explain):

Fee's collected from Housing Revenue Bond and Tax Credit applications are deposited into Fund SHP.

Living Wage / Business Subsidy: Not applicable

Job Linkage: Not applicable

Affirmative Action Compliance: Not applicable

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RECOMMENDATION:

City Council Recommendation: The Interim Executive Director recommends the City Council amend the 2002 MCDA Appropriation Resolution to increase the appropriation in Fund SHP (Housing Program) by \$98,000 from current fund balance.

Fund SHP (Housing Program) is used to support Minneapolis Housing Revenue Bond activity and Tax Credit activity. An increased 2002 appropriation of \$98,000 is needed to cover increased demand for salary and legal expenses due as a result of an expanded workload created by an increase in housing revenue bond and tax credit applications. This amplified demand is due primarily to the current favorable economic environment, thus creating a larger than anticipated number of housing revenue bond refunding and new construction applications. The current fund balance available in Fund SHP, collected from Housing Revenue and Tax Credit fees, is sufficient to accommodate the requested appropriation increase.